

Message Text

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47

ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 AID-05 AGR-10 ABF-01 OMB-01

L-02 TRSE-00 XMB-04 (ISO) W
----- 112492

R 201155Z MAY 75

FM AMCONSUL KARACHI

TO SECSTATE WASHDC 8868

INFO AMEMBASSY ISLAMABAD

AMCONSUL LAHORE

UNCLAS KARACHI 0918

E.O. 11652: N/A

TAGS: EFIN, PK

SUBJ: OPIC LOAN TO WYETH LABORATORIES

REF: STATE 112058

1. DURING CONVERSATION WITH GENERAL MANAGER AIJAS KHAN OF WYETH LABORATORIES (WHOSE HEAD OFFICE IS IN KARACHI), HE STATED HIS ORGANIZATION HAD BEEN LOOKING INTO COMMERCIAL SOURCES FOR FINANCING EXPANSION WYETH PLANT IN LAHORE AND WOULD CONTINUE TO DO SO IN VIEW OF NEGATIVE OPIC ATTITUDE ON LOCAL CURRENCY FINANCING. (NOTE: ALTHOUGH PAK PHARMACEUTICAL INDUSTRY HAS "SUBSTANTIAL EXISTING CAPACITY", AS STATED REFTEL, THIS CAPACITY BEING STRAINED TO UTMOST IN CASE OF MANY FIRMS OWING VERY SUBSTANTIAL INCREASE IN DEMAND FOR MEDICINES AS MORE PURCHASING POWER HAS GONE TO RURAL AND POOR URBAN CLASSES OWING TO ECONOMIC POLICIES PPP OVER LAST THREE YEARS. SHOULD ALSO BE POINTED OUT ONE OF MOST IMPORTANT WYETH PRODUCTS IS ORAL CONTRACEPTIVE "OVCAL".)

2. WITH RESPECT TO QUESTIONS POSED PARA 3 REFTEL, LOCAL BANKERS STATE MAXIMUM INTEREST ALLOWED TO BE PAID ON LOAN FROM HOME OFFICE TO PAK SUBSIDIARY IS ONLY 6-6 1/4 PERCENT. RESPONSIBLE STATE BANK OFFICIALS INFORMED US IT WAS SB POLICY TO ALLOW INTEREST RATE ON GOVERNMENT LOANS SUCH AS POSSIBLE DOLLAR LOAN FROM OPIC, OF ONLY SLIGHTLY OVER PRIME RATE IN UNCLASSIFIED

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COUNTRY OF ORIGIN. THUS, STATE BANK AND DEPARTMENT OF

INVESTMENT PROMOTION, (LOCATED KARACHI), WOULD PROBABLY ONLY
ALLOW OPIC TO CHARGE INTEREST OF 8 PERCENT OR 8 1/2 PERCENT.

3. IN ANSWER TO QUERY CONCERNING CONVERTIBLE DEBENTURES, SB
OFFICIAL SAID DEBENTURES THIS NATURE HAD SO FAR NOT BEEN ALLOWED
AND QUESTION WOULD HAVE TO BE STUDIED FULLY, AFTER RECEIPT OF A
WRITTEN INQUIRY FROM US MISSION. IF SUCH DEBENTURES AUTHORIZED
THEN FX FOR CONVERSION DEBENTURE AT PREMIUM OVER PAR VALUE WOULD
ALSO BE ALLOWED.
BRYANT

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Message Attributes

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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Draft Date: 20 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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From: KARACHI
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